

1 On page 76, after line 31 of the amendment, insert the following:

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3 **"Sec. 7026.** RCW 43.63A.125 and 2008 c 327 s 15 are each amended to
4 read as follows:

5 (1) The department shall establish the building communities fund
6 program. Under the program, capital and technical assistance grants
7 may be made to nonprofit organizations for acquiring, constructing, or
8 rehabilitating facilities used for the delivery of nonresidential
9 community services, including social service centers and multipurpose
10 community centers, including those serving a distinct or ethnic
11 population. Such facilities must be located in a distressed community
12 or serve a substantial number of low-income or disadvantaged persons.

13 (2) The department shall establish a competitive process to
14 solicit ~~((and))~~, evaluate, and rank applications for the building
15 communities fund program as follows:

16 (a) The department shall conduct a statewide solicitation of
17 project applications from nonprofit organizations.

18 (b) The department shall evaluate and rank applications in
19 consultation with a citizen advisory committee using objective
20 criteria. To be considered qualified, applicants must demonstrate
21 that the proposed project:

22 (i) Will increase the range, efficiency, or quality of the
23 services provided to citizens;

24 (ii) Will be located in a distressed community or will serve a
25 substantial number of low-income or disadvantaged persons;

26 (iii) Will offer three or more distinct activities that meet a
27 single community service objective or offer a diverse set of

1 activities that meet multiple community service objectives, including
2 but not limited to: Providing social services; expanding employment
3 opportunities for or increasing the employability of community
4 residents; or offering educational or recreational opportunities
5 separate from the public school system or private schools, as long as
6 recreation is not the sole purpose of the facility;

7 (iv) Reflects a long-term vision for the development of the
8 community, shared by residents, businesses, leaders, and partners;

9 (v) Requires state funding to accomplish a discrete, usable phase
10 of the project;

11 (vi) Is ready to proceed and will make timely use of the funds;

12 (vii) Is sponsored by one or more entities that have the
13 organizational and financial capacity to fulfill the terms of the
14 grant agreement and to maintain the project into the future;

15 (viii) Fills an unmet need for community services;

16 (ix) Will achieve its stated objectives; and

17 (x) Is a community priority as shown through tangible commitments
18 of existing or future assets made to the project by community
19 residents, leaders, businesses, and government partners.

20 (c) The evaluation and ranking process shall also include an
21 examination of existing assets that applicants may apply to projects.
22 Grant assistance under this section shall not exceed twenty-five
23 percent of the total cost of the project, except, under exceptional
24 circumstances, the department may reduce the amount of nonstate match
25 required. No more than ten percent of the total granted amount may be
26 awarded to qualified eligible projects that meet the definition of
27 exceptional circumstances defined in this subsection. For purposes of
28 this subsection, exceptional circumstances include but are not limited
29 to: Natural disasters affecting projects; emergencies beyond an
30 applicant's control, such as a fire or an unanticipated loss of a
31 lease where services are currently provided; or a delay that could
32 result in a threat to public health or safety. The nonstate portion
33 of the total project cost may include cash, the value of real property
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1 when acquired solely for the purpose of the project, and in-kind
2 contributions.

3 (d) The department may not set a monetary limit to funding
4 requests.

5 (3) The department shall submit (~~annually~~) biennially to the
6 governor and the legislature in the department's capital budget
7 request (~~an unranked~~) a ranked list of the qualified eligible
8 projects for which applications were received. The list must include
9 a description of each project, its total cost, and the amount of state
10 funding requested. The appropriate fiscal committees of the
11 legislature shall use this list to determine building communities fund
12 projects that may receive funding in the capital budget. The total
13 amount of state capital funding available for all projects on the
14 (~~annual~~) biennial list shall be determined by the capital budget
15 beginning with the 2009-2011 biennium and thereafter. In addition, if
16 cash funds have been appropriated, up to three million dollars may be
17 used for technical assistance grants. The department shall not sign
18 contracts or otherwise financially obligate funds under this section
19 until the legislature has approved a specific list of projects.

20 (4) In addition to the list of ranked qualified eligible projects,
21 the department shall submit to the appropriate fiscal committees of
22 the legislature a summary report that describes the solicitation and
23 evaluation processes, including but not limited to the number of
24 applications received, the total amount of funding requested, issues
25 encountered, if any, and any recommendations for process improvements.

26 (5) After the legislature has approved a specific list of projects
27 in law, the department shall develop and manage appropriate contracts
28 with the selected applicants; monitor project expenditures and grantee
29 performance; report project and contract information; and exercise due
30 diligence and other contract management responsibilities as required.

31 (6) In contracts for grants authorized under this section the
32 department shall include provisions which require that capital
33 improvements shall be held by the grantee for a specified period of
34 time appropriate to the amount of the grant and that facilities shall

1 be used for the express purpose of the grant. If the grantee is found
2 to be out of compliance with provisions of the contract, the grantee
3 shall repay to the state general fund the principal amount of the
4 grant plus interest calculated at the rate of interest on state of
5 Washington general obligation bonds issued most closely to the date of
6 authorization of the grant."

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8 Renumber the remaining sections consecutively and correct any
9 internal references accordingly.

EFFECT: Requires the Department of Commerce to rank Building Communities Fund proposals, in addition to soliciting and evaluating them. Requires the Department to submit a ranked list biennially, not annually, in its capital budget request to the Governor and Legislature. Allows consideration of a project if the applicant can demonstrate that it offers three or more distinct activities that meet a single community service objective. Allows the Department to use up to 10 percent of the total granted funds to reduce the 75 percent nonstate match requirement for qualified projects that meet the definition of exceptional circumstances.

FISCAL IMPACT: None.

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